

# CREDIT FAILS, FORCING VERY

## GRAVE CRISIS

## Klickerbocker Trust Co. Pays Out Eight Millions

## CORTELYOU GOES TO BANKS' RELIEF

**Confidence in Money  
Centres to Avert  
Panic.**

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**NEW YORK, October 23.**—Secretary of the Treasury George B. Cortelyou made the following statement shortly before 1 o'clock this morning:

"I repeat what I stated before leaving Washington this afternoon, if for nothing else than to emphasize it. The Treasury Department will use its facilities to assist in every proper way legitimate business interests, and its action will be prompt and thorough.

"The national banks of New York city are, in an exceptionally strong condition. The general

situation here seems to be well in hand, and is being looked after by many strong and influential men, such as those whose recent action in the clearing-house received emphatic public approval. The movement for similar concert of action among the street cleaners

This statement was made following a conference on the local banking situation held at the Hotel Manhattan between Secretary Cortelyou, J. P.

It was also learned that the Trust Company of America had applied for and had been granted liberal assistance. The bankers further decided to extend additional aid to the Trust Company of America should this be required.

It was the opinion of the bankers at the conference that the general banking situation, not only so far as it concerned the banks, but the trust companies as well, has been very much strengthened, and has been further trouble

Apprehended.

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## MEMORABLE DAY ON EXCHANGE

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### Knickerbocker Trust Company Pays Out Eight Millions, Then Suspends.

NEW YORK, October 22.—Credit, the under-the-surface foundation of all business, trembled for a time to-day, and before confidence could be restored, the Knickerbocker Trust Company, New York's second largest financial institution, had emptied its cash vaults under pressure of the biggest run experienced here in a gen-

erated; a stock exchange firm had failed for \$6,000,000; Wall Street's principal securities had settled from \$5 to \$8 a share; call money had risen to 70 per cent., and local bankers, unable to stem the tide of distrust, had been forced to appeal for relief to the Secretary of the Treasury at Washing-

All this was in the face of reassuring statements by the acting State superintendent of banks that the suspected bank was solvent; declarations by prominent bankers that there was no true basis for alarm, and assurances from Washington that Secre-

Now that the first scare is over and the worst of the future discounted, it is believed that local banking affairs will soon readjust themselves. Secre-

tary of the Treasury George B. Cortelyou reached New York from Washington at 9:30 o'clock to-night. He was met at Jersey City by Hamilton Fish, Assistant United States Treasurer, and the two were in earnest con-

versation during the ferry trip to New York. Upon reaching this city they went at once to the Hotel Manhattan, where several bankers later presented to the secretary the various phases of local financial conditions.

with no preconceived ideas of how much money will be required to relieve the situation, and the matter of treasury relief measures will be determined by what he learns to-night. He will do all he can to relieve the present stress. It is expected that a statement will be given out by the

**Cortelyou to the Rescue.**  
Before leaving Washington late today Secretary Cortelyou decided that \$6,000,000 be deposited with New York banks as soon as the necessary col-

banks as soon as the necessary collateral had been furnished, and at the same time he issued this statement: "The Secretary of the Treasury is keeping in close touch with business conditions throughout the country. In the matter of making deposits, the public

matter of public deposits he will at all times consult the needs of legitimate business interests, and will not hesitate to deal promptly and adequately with any situation that may arise." Mr. Cortelyou's statement, when re-

celved here, did much to put a better face on things, and it was predicted